



UNITED STATES BANKRUPTCY COURT
DISTRICT OF VERMONT

In re:)
)
FiberMark, Inc.,) Case No. 04-10463 cab
FiberMark North America, Inc., and) *Chapter 11*
FiberMark International Holdings LLC,) Jointly Administered
)
Debtors.)

**ORDER UNDER 11 U.S.C. §§ 105(a) AND 363(b)(1) AUTHORIZING
IMPLEMENTATION OF KEY EMPLOYEE RETENTION AND
SEVERANCE PLANS**

Upon the motion (the "Motion")¹ of FiberMark, Inc. and certain of its subsidiaries, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), for entry of an order under 11 U.S.C. §§ 105(a) and 363(b)(1) authorizing the Debtors to implement a Retention Plan, a Severance Plan and a Discretionary Recognition Plan, all as described in the Motion (the "Proposed Plans"); and it appearing that proper and adequate notice of the Motion was given and that no other or further notice is necessary; and upon consideration of the objections to the Motion filed by the Official Committee of Unsecured Creditors (the "Committee Objection"), the Paper, Allied-Industrial, Chemical & Energy Workers International Union (the "Union Objection"), and Stephen Steidle and Robert Yousey (the "Steidle/Yousey Objection"); and upon further consideration of the response to the Committee Objection filed by the Debtors (the "Supplement"), including the modifications to the Proposed Plans set forth in the Supplement; and the Debtors and

¹ All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

the Committee having resolved their differences as set forth in the Stipulation Resolving Disputes Between Debtors and Committee With Respect to (i) Debtors' Motion for Order Under 11 U.S.C. §§ 105(a) and 363(b)(1) Authorizing Implementation of Key Employee Retention and Severance Plans and (ii) Debtors' Motion for Order Under 11 U.S.C. § 1121(d) Extending Exclusive Periods for Filing Chapter 11 Plans and Obtaining Acceptances of Such Plans (the "Stipulation"); and the Union Objection and the Steidle/Yousey Objection having been withdrawn or overruled; now, therefore, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion as modified by the Supplement and the Stipulation is GRANTED.
2. The Debtors are authorized to implement, and to make payments provided for under, the Retention Plan as described in the Motion and as modified by the Supplement and the Stipulation.
3. The Debtors are authorized to implement, and to make payments provided for under, the Severance Plan as described in the Motion and as modified by the Supplement and the Stipulation.
4. The Debtors are authorized to implement, and to make payments under, the Discretionary Recognition Program as described in the Motion and as modified by the Supplement and the Stipulation.

5. Notwithstanding Fed. R. Bankr. P. 6004(g) or any other applicable Rule of the Federal Rules of Bankruptcy Procedure, this Order shall take effect immediately upon approval.

Dated: August 5, 2004

A handwritten signature in cursive script, reading "Colleen A. Brown".

HONORABLE COLLEEN A. BROWN
UNITED STATES BANKRUPTCY JUDGE